

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Leonardsville Post Office
Leonardsville, New York

Docket No. A2011-51

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(October 17, 2011)

On August 18, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked August 12, 2011, from postal customer Kingsley D. Wratten (Petitioner) objecting to the discontinuance of the Post Office at Leonardsville, New York. On August 25, 2011, the Commission issued Order No. 824, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 824, the administrative record was filed with the Commission on September 6, 2011. The Commission received two additional written communications from customers of the Leonardsville Post Office on September 7, 2011 from Cheryl C. Hammond and Jean C. Davis. The Petitioner subsequently filed a Petitioner's Statement on September 22.

The appeal and additional correspondence received in this docket generally raises three main issues: (1) the effect on postal services, (2) the impact upon the Leonardsville community (the elderly and businesses), and (3) the assertion that the economic savings expected to result from discontinuing the Leonardsville Post Office should not be a determining factor as to closing a rural Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious

consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,¹ the Postal Service gave consideration to other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Leonardsville Post Office should be affirmed.

Background

The Final Determination To Close the Leonardsville, NY Post Office and Continue to Provide Service by Rural Route Service (FD), as well as the administrative record, indicate that the Leonardsville Post Office provides EAS-11 level service to 137 Post Office Box customers, has no general delivery customers, and provides retail service to customers 41.25 hours per week.² The postmaster of the Leonardsville Post Office retired on July 30, 2009, and a temporary officer-in-charge (OIC) was installed.³ The non-career replacement may be separated from the Postal Service; however, no other employee will be affected adversely.⁴ The average number of daily retail window transactions at the Leonardsville Post Office is 29. Revenue has generally been low: \$29,123 (70 revenue units) in FY 2008; \$30,256 (79 revenue units) in FY 2009; and

¹ See 39 U.S.C. 404(d)(2)(A).

² Final Determination to Close the Leonardsville, NY Post Office and Extend Service by Rural Route Service ("FD") at 2 (p. 386); Post Office Closing Proposal Fact Sheet ("Fact Sheet") at 1 (p. 330). In these comments, specific items in the administrative record are referred to as "Item ____." Because of the size of the administrative record totaling 400 pages, the pages of such administrative record have been numbered in order at the bottom of each page, and such pages are indicated in parentheses in each footnote.

³ FD at 11 (p. 396).

⁴ FD at 11, (p. 396); Fact Sheet at 1 (p. 330); Proposal to Close the Leonardsville, NY Post Office and Extend Service by Rural Route Service ("Proposal"), at 10 (p. 342).

\$28,397 (74 revenue units) in FY 2010.⁵ The Leonardsville Post Office has no meter or permit customers.⁶

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Bridgewater Post Office, an EAS-13 level office located five miles away, which has 189 available Post Office Boxes and similar operating hours to the Leonardsville Post Office.⁷

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Leonardsville Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Leonardsville Post Office. Questionnaires were also available over the counter for retail customers at Leonardsville.⁸ A letter from the Manager, Post Office Operations, Albany, New York was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Leonardsville Post Office was warranted, and that effective and regular service could be provided. Such letter also established a date for a community meeting at the Leonardsville Post Office for community members to discuss the proposal.⁹ The letter invited customers to complete and return a customer questionnaire and to express

⁵ FD, at 13 (p. 398); Fact Sheet, at 1 (p. 330); Item No. 29, Proposal, at 2 (p. 334).

⁶ Fact Sheet, at 1 (p. 330).

⁷ FD at 2 (p. 386); Fact Sheet, at 1 (p. 330); Proposal, at 2 (p. 334).

⁸ FD at 2 (p. 386); Questionnaire Letter to Postal Customers from Brian Shepardson, Manager, Post Office Operations ("Questionnaire Letter") at 1 (p. 80); Instruction Letter regarding Leonardsville Proposal to Officer in Charge from Nadine Tremblay, Post Office Review Coordinator at 1 (p. 331).

⁹ Questionnaire Letter at 1 (p. 80).

their opinions about the service they were receiving and the effects of a possible change involving rural route delivery.¹⁰ The returned customer questionnaires and Postal Service response letters appear in the administrative record.¹¹ An analysis of these response letters was performed.¹² In addition, representatives from the Postal Service were available at the Leonardsville Post Office for a community meeting on April 29, 2011, to answer questions and provide information to customers.¹³ Customers also received formal notice of the Proposal and potential FD through postings at the Leonardsville Post Office and nearby facilities. The Proposal was posted with an invitation for public comment at the Leonardsville Post Office from May 13, 2011 to July 14, 2011.¹⁴ The FD was posted at the Leonardsville Post Office starting on August 9, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.¹⁵

In light of the postmaster vacancy, a minimal workload, low office revenue, the variety of delivery and retail options (including the convenience of rural delivery and retail service), very little recent growth in the area, minimal impact upon the community, and the expected financial savings, the Postal Service issued the FD.¹⁶ Regular and effective postal services will continue to be provided to the Leonardsville community in a

¹⁰ Questionnaire Letter at 1 (p. 80).

¹¹ Customer Questionnaires returned or collected (pp. 84-195).

¹² Postal Service Customer Questionnaire Analysis, at 1 (p. 196).

¹³ FD at 2 (p. 386); Item No. 21, Questionnaire Letter at 1 (p. 80); Community Meeting Roster at 1-2 (pp. 314-15); Item No. 25, Community Meeting Analysis at 1-3 (pp. 316-318); Proposal, at 2 (p. 334).

¹⁴ Invitation for comments at 1 (p. 347); Documentation related to Proposal round-dated stamps at 1-6 348-353.

¹⁵ FD cover page with round date stamps at 1 (p. 379).

¹⁶ See generally, FD (pp. 385-398); Proposal (pp. 333-342); Fact Sheet at 1 (p. 330).

cost-effective manner upon implementation of the final determination.¹⁷ Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Leonardsville Post Office on postal services provided to Leonardsville customers. The closing is premised upon providing regular and effective postal services to Leonardsville customers.

The Petitioner, in his letter of appeal, raises the issue of the effect on postal services of the Leonardsville Post Office's closing, noting the convenience of the Leonardsville Post Office and requesting its retention. The Petitioner expresses particular concern about the effect the closing will have on Leonardsville's retired and elderly community, its businesses, and the burden of travelling ten miles roundtrip for customers to get their mail and shipped medications. These concerns were considered by the Postal Service. In particular, the Postal Service explained that citizens of Leonardsville and businesses will continue to receive regular and effective postal services.¹⁸ With regard to senior citizens, the Postal Service explained that services provided at the Leonardsville Post Office will be available through the Rural Carrier, and has made clear that special provisions will be made for hardship cases or special customer needs, such as ensuring service to disabled persons.¹⁹

¹⁷ FD at 2, 9-10 (pp. 386, 394-95).

¹⁸ FD at 4-5 (p. 388-89); Proposal at 2, 5 (pp 334, 337).

¹⁹ FD at 7-8, 12 (pp. 391-92, 396); Proposal at 5, 8-9 (p. 337, 340-41).

The effect of the closing of the Leonardsville Post Office on the shipping of packages was also given extensive consideration.²⁰ Upon the implementation of the Final Determination, service will be provided to cluster box units (CBUs) so that customers will have 24 hour access to secure mailboxes without the costs associated with Post Office Boxes.²¹ CBUs provide the security of individually locked mail compartments.²² Parcel lockers provide convenient parcel delivery for customers.²³ The utilization of Rural Carrier Service provides the customers of Leonardsville with the ability to perform most transactions currently available at the Leonardsville Post Office.²⁴ Through Stamps by Mail and Money Order Application forms, most transactions do not require customers to meet the carrier at the mailbox.²⁵ Various options exist for the shipping of packages, which are explained on www.usps.com. If internet access is available, the Postal Service's Click-N-Ship service enables customers to print shipping labels with postage for Express Mail and Priority Mail. Carrier pickup is available, which allows for scheduling the pickup of packages at the same time the carrier delivers the mail. In addition, the Postal Service explained that the Bridgewater Post Office can provide answers to questions about possible options for the shipping of packages from a Leonardsville address.²⁶

The Postal Service has considered the impact of closing the Leonardsville Post Office upon the provision of postal services to Leonardsville customers. Rural route

²⁰ FD at 10 (p. 394); Proposal at 8 (p. 340).

²¹ FD at 10 (p. 394); Proposal at 8 (p. 340).

²² FD at 10 (p. 394); Proposal at 8 (p. 340).

²³ FD at 10 (p. 394); Proposal at 8 (p. 340).

²⁴ FD at 5 (p. 389).

²⁵ FD at 5 (p. 389).

²⁶ FD at 11, 12 (pp. 395-96); Postal Customer Questionnaire Analysis, at 1-3 (p. 316-18).

delivery to CBUs installed on the carrier's line of travel provides similar access to retail service, alleviating the need to travel to the Post Office.²⁷ The Petitioner raises concerns regarding the location of rural boxes or CBUs, and questions the risk of blockages caused by snow in wintertime. The Postal Service considered this issue by suggesting actions that customers can undertake to avoid damage to such boxes by snow plows.²⁸ In addition, the Postal Service explained that exceptions will be made for hardship cases, which require extra effort from the rural carrier.²⁹ Thus, the Postal Service has properly concluded that all Leonardsville customers will continue to receive regular and effective service via rural route delivery to CBUs installed on the carrier's line of travel.

Effect upon the Leonardsville Community

The Postal Service is obligated to consider the effect of its decision to close the Leonardsville Post Office upon the Leonardsville community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Leonardsville is an unincorporated community located in Madison County. Police protection is afforded by the Madison Perry County Sherriff's Department, and Fire Protection is provided by the Leonardsville Fire Department.³⁰ The community is

²⁷ FD at 10-12 (pp. 394-96); Proposal at 8 (p. 340).

²⁸ FD at 9 (p. 393).

²⁹ FD at 7-8, 12 (pp. 391-92, 396); Proposal at 5, 8-9 (p. 337, 340-41).

³⁰ Community Survey Sheet at 1 (p. 24); FD at 11 (p. 395).

comprised of retired persons, the self-employed, and those who commute to work at nearby communities and local businesses.³¹

The Petitioner's letter of appeal raises the issue of the effect of the closing of the Leonardsville Post Office upon the Leonardsville community. This issue was extensively considered by the Postal Service, as reflected in the administrative record.³² The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name.³³ Communities generally require regular and effective postal services and these will continue to be provided to the Leonardsville community. Carrier service is expected to be able to handle any future growth in the community, and there is no indication that the business community will be affected adversely; however, the administrative record notes that there has been little growth in the Leonardsville area in recent years.³⁴ Petitioner also states that the discontinuance action will result in adverse impact to the Leonardsville business community. The Petitioner asserts that at least one business declined to locate in the community due to the prospect of this Post Office closing. However, the responses to the Customer Questionnaires indicate that residents in general travel elsewhere for other supplies and services.³⁵

In addition, the Postal Service has concluded that nonpostal services provided by the Leonardsville Post Office can be provided by the Bridgewater Post Office. In

³¹ FD at 11 (p. 395); Proposal at 7 (p. 340).

³² FD at 11-12 (pp. 395-96); Proposal at 7-8 (pp. 340-41).

³³ FD at 11 (p. 395).

³⁴ FD at 2(p. 386).

³⁵ See Postal Service Customer Questionnaires at 1-2, 4, 6, 9, 11, 13-14, 17-33, 37-45, 49, 50 (pp. 84-85, 87, 89, 92, 94, 96-97, 100-16, 120-28, 132, 133).

addition, government forms usually provided by the Post Office are also available by contacting local government agencies.³⁶

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Leonardsville Post Office on the community.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Leonardsville Post Office and would still provide regular and effective service.³⁷ The estimated annual savings associated with discontinuing the Leonardsville Post Office are \$47,376.³⁸

Petitioners question the costs associated with providing replacement service. The Postal Service has considered this cost in its economic savings calculations. Specifically, the Postal Service estimated additional rural route carrier costs at \$3,802.85.³⁹

Petitioners in this appeal question the consistency of this proposal with statutory authority in Title 39 providing that no small Post Office may be closed solely for operating at a deficit. Here, however, a variety of factors inform the decision to discontinue the Leonardsville Post Office, including a postmaster vacancy, minimal

³⁶ FD at 12 (p. 396).

³⁷ See generally, FD (pp. 385-398); Proposal (pp. 333-342).

³⁸ FD at 12 (p. 396); Proposal, at 9 (p. 342).

³⁹ See Highway Contract Route Cost Analysis Form at 1-2 (pp. 27-28).

workload, declining office revenue,⁴⁰ the variety of delivery and retail options (including the convenience of rural delivery and retail service),⁴¹ very little recent growth in the area,⁴² minimal impact upon the community, and the expected financial savings.⁴³ Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a post office must consider whether such closing is consistent with the policy that the Postal Service provide “a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining.” In this case, the Postal Service analyzed, among other factors, the Leonardsville Post Office’s workload and revenue. The consideration of an office’s workload and revenue is not inconsistent with the policies of Title 39; however, because analysis of workload and revenue does not imply that a small Post Office is operating at a deficit. The Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

The Postal Service determined that carrier service is more cost-effective than maintaining the Leonardsville postal facility and postmaster position.⁴⁴ The Postal Service’s estimates are supported by record evidence, in accordance with the Postal Service’s statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

⁴⁰ FD, at 13 (p. 398); Fact Sheet, at 1 (p. 330); Item No. 29, Proposal, at 2 (p. 334).

⁴¹ FD, at 5, 6 (p. 389-90).

⁴² See generally, FD (pp. 385-398); Proposal (pp. 333-342); Fact Sheet at 1 (p. 330).

⁴³ See generally, FD (pp. 385-398); Proposal (pp. 333-342).

⁴⁴ FD at 12 (p. 396); Proposal, at 9 (p. 342).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster of the Leonardsville Post Office retired on July 30, 2009, and a temporary officer-in-charge (OIC) was installed.⁴⁵ Because of this retirement and because the non-career replacement may be separated from the Postal Service, no employee will be affected adversely.⁴⁶ Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Leonardsville Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Leonardsville Post Office on the provision of postal services and on the Leonardsville community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Leonardsville customers.⁴⁷ The Postal Service respectfully submits that this conclusion is consistent with and supported by the

⁴⁵ FD at 11 (p. 396).

⁴⁶ FD at 11, (p. 396); Fact Sheet at 1 (p. 330); Proposal at 10 (p. 342).

⁴⁷ FD at 2, 9-10 (pp. 386, 394-95).

administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Leonardsville Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Leonardsville Post Office be affirmed.

Respectfully submitted,

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